

October 12, 2018

VIA ECF

Hon. P. Kevin Castel
United States District Court
Southern District of New York
500 Pearl Street, Room 1020
New York, New York 10007

Re: *U.S. Bank National Association, as Trustee for the MARM 2006-OA2, MARM 2007-1 and MARM 2007-3 Trusts v. UBS Real Estate Sec, Inc., 12-cv-7322 (PKC)*

Dear Judge Castel:

Pursuant to the Court's July 16, 2018 Order (ECF 598), the parties jointly submit this status update. On July 13, 2018, the parties executed a settlement agreement. That settlement does not become effective, by its terms, until certain conditions are satisfied, including final court approval of the settlement in a trust instruction proceeding.

On July 25, 2018, the Trustee filed a petition for court approval, pursuant to Minn. Stat. § 501C.0201 *et seq.*, in Minnesota state court. The following day, the Minnesota court issued an order requiring that any parties in interest wishing to object to the Trustee's petition, or any of the relief sought therein, file a memorandum of law setting forth their respective positions no later than five days prior to September 25, 2018. Thereafter, certain MARM 2006-OA2 certificateholders (Alexander Bakal, David Visher, Sandra Visher, and ESM Fund I LP as well as Park Royal I LLC and Park Royal II LLC) objected to the settlement. In addition, the National Credit Union Administration Board, in its capacity as Liquidating Agent for U.S. Central Federal Credit Union, submitted a statement indicating its interest in the matter (without objecting to the settlement).

Following an initial hearing on September 25, 2018, the matter was re-assigned to the Honorable Richard H. Kyle, Jr. The Trustee and the objectors subsequently submitted to the Minnesota court a proposed stipulated scheduling order, which proposes that fact discovery be completed by January 31, 2019 and expert discovery be completed by April 26, 2019. The proposed scheduling order remains under review.

The Parties would be pleased to provide copies of any of the above filings and are available to discuss this matter further, if the Court so wishes.

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Respectfully submitted,

s/ Sean P. Baldwin
Sean P. Baldwin
SELENDY & GAY PLLC
1290 Avenue of the Americas
New York, New York 10104
(212) 390-9000

Counsel for Plaintiff

s/ Robert A. Fumerton
Robert A. Fumerton
SKADDEN, ARPS, SLATE
MEAGHER & FLOM LLP
Four Times Square
New York, New York 10036
(212) 735-3000

Counsel for Defendant